



WILLIAM T FUJIOKA

County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 25, 2010

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors and Commissioners:

PUBLIC HEARING TO APPROVE THE SALE AND LEASE OF REAL PROPERTY FOR DEVELOPMENT OF THE SOUTH HEALTH CENTER PROJECT IN THE WILLOWBROOK COMMUNITY REDEVELOPMENT PROJECT AREA (SECOND DISTRICT) (3 VOTES)

SUBJECT

This letter recommends approval of the sale and lease of real property for development of the South Health Center (Project), an approximately 33,000 square foot health facility, to be located in the Willowbrook Community Redevelopment Project Area.

**JOINT RECOMMENDATION WITH THE CHIEF EXECUTIVE OFFICER AND THE
COMMUNITY DEVELOPMENT COMMISSION THAT THE BOARD OF SUPERVISORS,
AT THE CONCLUSION OF THE PUBLIC HEARING:**

1. Return the following findings in accordance with Section 33445 of the California Health and Safety Code that will permit the County of Los Angeles to purchase, for a cost of \$1.00, 27,076 square feet For Sale Parcel of an approximately 71,779 square foot vacant Community Development Commission-owned property located at the northwest corner of 120th Street and Wilmington Avenue in unincorporated Los Angeles County, to provide for

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

3D

May 25, 2010

Sachi A. Hama
SACHI A. HAMA
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

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development of the South Health Center; the Project will benefit the Willowbrook Community Redevelopment Project Area (Project Area) by expanding the availability of health care services; there is no other reasonable means of financing the Project other than by purchase of the For Sale Parcel at a subsidized cost; the Project will reduce blight by returning approximately eight vacant parcels to productive use; and the Project is included in the Project Area Five-Year Implementation Plan approved by the Board of Supervisors on December 8, 2009.

2. Approve the Project and authorize the Chief Executive Office to ratify the publication of the Notice of Intention to Purchase the For Sale Parcel, in accordance with California Government Code Sections 25350 and 6063.
3. Order the purchase of the For Sale Parcel to be consummated in accordance with California Government Code Section 25350 for the purchase price of \$1.00, plus title and escrow fees of approximately \$5,000.
4. Authorize the Chief Executive Officer to open and manage escrow; execute any required documents necessary to complete the transfer of title to the County, including without limitation a Purchase and Sale Agreement with the Community Development Commission; and to accept the deed conveying the title to the For Sale Parcel to the County.
5. Authorize the Auditor-Controller to issue a warrant to cover the purchase price of \$1.00 and any other required transactional costs or escrow fees, which are estimated not to exceed \$5,000.
6. Authorize the Chief Executive Office to negotiate with the Community Development Commission (Commission), execute, and if necessary, amend or terminate (after review and approval by County Counsel): (i) a Memorandum of Understanding governing the use of the For Sale Parcel and the adjacent 44,703 square foot Parking Parcel, Project financing, Project construction, and any other terms related to the development of the Project, and (ii) a Lease for the Parking Parcel to the County for South Health Center parking.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS, AT THE CONCLUSION OF THE PUBLIC HEARING:

1. Authorize the Executive Director to sell 27,076 square feet For Sale Parcel of an approximately 71,779 square foot vacant Community Development Commission-owned property located at the northwest corner of 120th Street and Wilmington Avenue in unincorporated Los Angeles County, to the County for the purchase price of \$1.00 for construction of the South Health Center (Project) following approval as to form by County Counsel.
2. Authorize the Executive Director to negotiate with the Chief Executive Office, execute, and if necessary, amend, terminate, or extend a Lease Agreement with the County for the sum of \$1.00 per month, for use of the adjacent 44,703 square foot Parking Parcel for South Health Center parking, following approval as to form by County Counsel.
3. Authorize the Executive Director to negotiate and execute any required documents necessary to complete the transfer of title to the County, including without limitation a Purchase and Sale Agreement of the For Sale Parcel with the Chief Executive Officer, following approval as to form by County Counsel.
4. Authorize the Executive Director to negotiate with the Chief Executive Office, execute, and if necessary, amend or terminate: (i) a Memorandum of Understanding governing the use of the For Sale Parcel and the Parking Parcel, Project financing, Project construction, and any other terms related to the development of the Project, and (ii) a Lease for the adjacent Parking Parcel to the County for the South Health Center parking, following approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the sale and lease of the For Sale Parcel and Parking Parcel (as shown on the attached site map) between the Commission and the County, to develop the new Project, an approximately 33,000 square foot public health facility, in the Project Area. The facility will enable the Department of Public Health (DPH) to provide to the low-income community expanded services for treatment and prevention of communicable diseases such as tuberculosis and sexually transmitted diseases in a single, convenient, state-of-the-art facility.

On August 11, 2009, the Board of Supervisors approved the establishment of a Capital Project for the Project. The Capital Project allowed the Department of Public Works (DPW) to continue with preliminary planning and development of the facility. On October 13, 2009, the Board of Supervisors and the Board of Commissioners approved an application to the U.S. Department of Housing and Urban Development (HUD) for a Section 108 loan guarantee of approximately \$10,000,000 and a companion Economic Development Initiative grant of approximately \$10,000,000 to construct the new South Health Center. The contract for Loan Guarantee Assistance and related documents were prepared by HUD upon its approval of the Section 108 loan application in December 2009.

In March 2010, after an extensive evaluation and selection process, DPW identified a Design-Build team to construct the Project and, in May 2010, the Board of Supervisors approved the Design-Build Team for the development of the Project.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize fiscal sustainability by providing sound, prudent, and transparent short- and long-range fiscal policies and practices that help ensure maintenance of critical, high-priority County public services (Goal 1). Purchasing the For Sale Parcel is consistent with that goal.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Commission will sell the For Sale Parcel to the County for \$1.00 to be funded from the South Health Center Project (Capital Project No. 77177) and lease the Parking Parcel to the County for the sum of \$1.00 per month to be funded from the County Rent Expense Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The existing South Health Center, located at 1522 E. 122nd Street, Los Angeles, CA, is an approximately 19,000 square foot public health facility that serves about 3,000 patients each month. The facility is deteriorated and unable to provide an efficient, effective, and safe environment for patients and staff and not large enough to meet current and future needs of the program. DPH will provide expanded health services in a new state-of-the-art South Health Center.

In accordance with the Willowbrook Community Redevelopment Plan, adopted by your Board on September 15, 1977, the Commission purchased the subject property with Community Development Block Grant funds for the orderly development of properties near the Martin Luther King, Jr. Multi-Service Ambulatory Care Center. As a part of this effort, the Commission proposes to sell the For Sale Parcel as is and will be providing a Quit Claim Deed to the County for said property for construction of the Project. The Commission will lease the Parking Parcel as is to the County for South Health Center parking. The Commission will retain ownership of the Parking Parcel for future compatible development.

Section 33445 of the California Health and Safety (H&S) Code requires that in order to acquire and construct on the For Sale Parcel, the Board of Supervisors must make the following findings: the Project will benefit the Project Area; there is no other reasonable means of financing the project; the project will reduce a blighting condition in the Project Area; and the project is consistent with the Project Area Five-Year Implementation Plan, approved by your Board on December 8, 2009.

There are sufficient facts to support the required findings. First, the Project will benefit low- and moderate-income residents of the Project Area by providing much needed community health services. Second, due to the budgetary challenges faced by DPH, there is no other reasonable means of financing the Project other than by the purchase of the For Sale Parcel at a nominal cost. Third, the Project will help reduce blight, as defined under Section 33031(b) (2) of the H&S Code, by developing approximately eight vacant parcels in the Project Area. Fourth, the Project is consistent with the current Project Area Five-Year Implementation Plan which states that the new South Health Center will enable DPH to provide much needed community health services for treatment and prevention of communicable diseases such as tuberculosis and sexually transmitted diseases.

Sections 33430 and 33431 of the H&S Code allow the Commission, as a redevelopment agency, to sell or lease Commission-owned properties without public bidding after a noticed public hearing. Following the Board of Commissioners' approval, the Executive Director will execute the documents necessary to sell the For Sale Parcel for \$1.00 to the County for construction of the building.

Notification of this public hearing was in accordance with Section 33431 of the H&S Code which states that a public hearing on the sale or lease of properties located within a redevelopment project area must be noticed for two weeks in a newspaper of general circulation.

ENVIRONMENTAL DOCUMENTATION

Pursuant to the requirements of the National Environmental Policy Act of 1969, an Environmental Assessment (EA) was prepared for a 49,117 square foot medical office building on the same Commission-owned site. Based on the conclusions and findings of the EA, a Finding of No Significant Impact was adopted by the County of Los Angeles on October 22, 2002. Following the required public and agency comment period, HUD issued a Release of Funds for the Project on November 30, 2002. Two subsequent amended EAs were prepared for smaller projects on the same site; these did not identify any additional environmental impacts. Therefore, the original Finding of No Significant Impact and Release of Funds still apply.

Pursuant to California Environmental Quality Act (CEQA) requirements and consistent with CEQA Guidelines, an Amended Environmental Assessment/Mitigated Negative Declaration (AEA/MND) was prepared for the construction of a 49,117 square foot medical office building on the Commission-owned site. The Board of Commissioners' adoption of the AEA/MND and the Mitigation Monitoring and Reporting Program on August 8, 2006 meets CEQA requirements.

The AEA/MND was amended a second time to reflect the current Project scope (construction of an approximately 33,000 square foot health facility) and this amended AEA/MND did not identify any additional environmental impacts from this Project. The Board of Supervisors' adoption of the second AEA/MND and the Mitigation Monitoring and Reporting Program on October 13, 2009 meets CEQA requirements.

The environmental review record for this Project is available for public review during regular business hours at the Commission's main office located at 2 Coral Circle in Monterey Park.

IMPACT ON CURRENT PROJECTS

The Project will enable the County to provide much needed community health services in a single, convenient, state-of-the-art facility that will allow for efficient and continuous care. The existing South Health Center facility will remain in operation during construction of the new building. The placement of the new facility at this site will serve to address a significant, identified need for improving access to health care and preventive services in the Project Area.

The Honorable Board of Supervisors and Commissioners
May 25, 2010
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CONCLUSION

It is requested that the Executive Officer-Clerk of the Board of Supervisors, return copies of the adopted, stamped Board letter to the Chief Executive Office (Capital Projects and Real Estate Division) and the Community Development Commission.

Respectfully Submitted,



WILLIAM T FUJIOKA
Chief Executive Officer



SEAN ROGAN
Executive Director

WTF:SR:SK

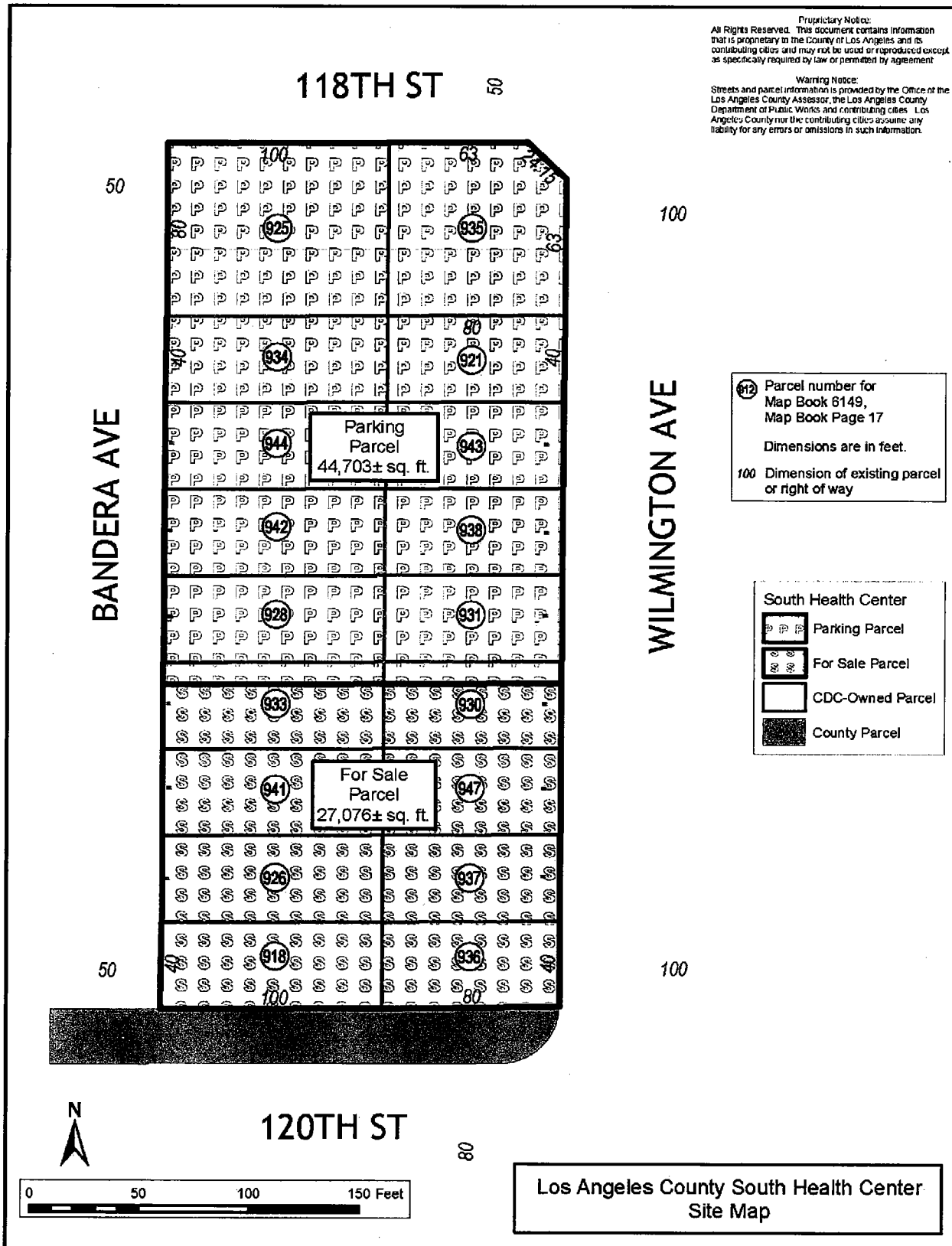
c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

Attachments

SITE MAP

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Parcel number for Map Book 6149, Map Book Page 17
Dimensions are in feet.
100 Dimension of existing parcel or right of way

South Health Center
 Parking Parcel
 For Sale Parcel
 CDC-Owned Parcel
 County Parcel

Los Angeles County South Health Center
Site Map